

**FREQUENTLY ASKED QUESTIONS AND COMMENTS:
PROPOSITION 50
WATER USE EFFICIENCY PROPOSAL SOLICITATION PROCESS**

November 16, 2004

SECTION I: GENERAL QUESTIONS AND COMMENTS

ELIGIBILITY

1. Are non-profit entities eligible for Proposition 50 Water Conservation Grants?	Yes.
2. Are private entities, including but not limited to investor-owned utilities and incorporated mutual water companies, eligible for funding?	<p>The issue of whether investor-owned utilities regulated by the California Public Utilities Commission and incorporated mutual water companies are eligible to receive Proposition 50 bond funds under section 79550 (g) is still not resolved at this time.</p> <p>Investor owned utilities and incorporated mutual water companies may submit proposals for the Water Use Efficiency PSP under Section A only. The Department will evaluate developments regarding eligibility of these entities and will determine in the near future whether these proposals can be processed.</p>
3. Under what conditions are public school districts, park districts, eligible for Proposition 50 Water Conservation Grants?	Applicants that are public agencies involved with water management activities are eligible. Applicants must provide evidence of a formal water use management program in which they are involved.
4. Are universities and colleges eligible for Proposition 50 Water Conservation Grants?	Yes, public universities or public colleges are eligible for Section B projects only.
5. Can entities apply as a group?	Yes, see Section A-2 of the PSP.
6. What is a political subdivision of the state?	Political subdivisions of the state include but are not limited to a city, county, district, and joint powers authority.
7. Is there a restriction on applying for a Proposition 50 grant if the applicant wants to apply to do the same project as was done under a previous WUE grant?	No. The applicant may apply to do the same type of project again as long as applicant demonstrates that the project is directed toward a different set of customers or a different community.
8. Are low flush toilet rebate projects eligible?	If the equipment is purchased by an eligible applicant or purchased by their customer with a rebate from the eligible applicant, it could be eligible. The State would reimburse the applicant after the equipment was purchased and installed.

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<p>9. Are projects with a life span of <7 years such as plumbing retrofits, showerheads, and pool covers eligible for funding?</p>	<p>Projects that are expected to have at least a 7-year lifespan could be eligible. Therefore, if the life expectancy of a showerhead, or pool cover is at least 7 years, the project installing these could be eligible. Projects and equipment with a life span of <7 years will not be eligible.</p>
<p>10. Are large landscape projects, such as irrigation systems and landscaping eligible?</p>	<p><u>Section A Projects:</u> Yes. Landscape projects are eligible, as long as the project equipment has a project life of at least 7 years and it improves water use efficiency.</p> <p>Projects that will be considered are those that improve water use efficiency through incentives, water saving devices, and updated irrigation systems. Projects will involve replacing or upgrading an existing system, and not installing a new system that was not previously in existence.</p> <p><u>Section B Projects:</u> Demonstration gardens that promote water use efficiency will be eligible under Section B of the PSP. This includes installation of plant material, irrigation equipment, and interpretive displays.</p>
<p>11. Are ET controller projects eligible?</p>	<p>Yes.</p>
<p>12. Can weather based controller and other irrigation system device programs target new construction (commercial and residential)?</p>	<p>No.</p>
<p>13. Are splitting meters and putting in dedicated meters eligible?</p>	<p>Yes.</p>
<p>14. Are residential meter replacements eligible?</p>	<p>Yes, but not as a stand alone project. Replacements must be part of a water system audit and repair program and demonstrate a water savings (i.e. to reduce leaks).</p>
<p>15. Are replacements of water storage tanks (not to increase capacity) to replace at same capacity eligible?</p>	<p>As long as the replacement is increasing water use efficiency and is not increasing the capacity, it could be eligible.</p>

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16. Are system water audits and leak detection eligible?	Water audits alone are not eligible. If it is for a system audit of a water facility that would be an integral component of an identified activity it could be an eligible component of the project. The focus should be on system repairs that have already been identified through a preliminary audit that estimates water savings associated with the project.
17. Are improvements in efficiencies of delivery systems eligible for funding?	Yes.
18. Are recycled water projects eligible for funding?	No. The State Water Resources Control Board is managing the water recycling component of Chapter 7(g).
19. Is implementation of a budget based rate structure BMP eligible?	No.
20. Is a project that would convert natural grass sports fields to artificial grass eligible under the Proposition 50 Water Conservation Program?	<p>Artificial turf projects will be considered under Section B Pilot Studies only. Projects must evaluate water conservation, environmental effects and overall costs/benefits.</p> <p>Proposals submitted for turf replacement must submit pre-project water use data for the test site. Post-project data must show how replacing turf decreases water use for the site, not just how it eliminates water use at the location of turf replacement.</p>
21. Can DWR fund the purchase or lease of a mobile equipment lab with grant funds?	No. Purchase or lease of a vehicle is not an eligible cost under this program.

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GEOGRAPHIC SCOPE

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| <p>1. Section A-5 (Geographic Scope) states that geographic regions in Southern California will be considered in the selection process. Are areas within the Colorado River service area and throughout California eligible for funding and if so, under which circumstances?</p> | <p>If the applicant can demonstrate that their proposed project would result in benefits to the California Bay-Delta, the project may be eligible.</p> |
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PREVAILING WAGE, LABOR CODE, VOLUNTEERISM

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| <p>1. Is the applicant required to pay prevailing wage for work done on a grant project? Are there exemptions from the Labor Code?</p> | <p>Applicants should check with their legal staff or with the Department of Industrial Relations regarding their labor code responsibilities and labor compliance program requirements for public works projects.</p> |
| <p>2. Can volunteer labor be used as part of the grant project, for operations and maintenance activities, or for education awareness programs?</p> | <p>Volunteers cannot be used as a part of a <u>public works</u> project. Applicants should consult with their legal department or the Department of Industrial Relations. Labor Code Section 1720 defines public works.</p> |

PROPOSAL FORMAT AND PROJECT REQUIREMENTS

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| <p>1. Where can applicants find more information about the California Bay-Delta Program?</p> | <p>Information can be obtained from the California Bay-Delta Authority website at:
www.calwater.ca.gov.</p> |
| <p>2. Does DWR want applicants to describe all other water use efficiency projects that they have done or are doing?</p> | <p>No, describe only those projects related to DWR funded programs.</p> |
| <p>3. Must all funding partners be identified up front in the grant proposal?</p> | <p>Yes.</p> |
| <p>4. What level of commitment is required from funding partners?</p> | <p>When a proposal is submitted, DWR must know who the cooperators will be, the role and responsibility of each cooperator in the project. The applicant must have completed their Urban Water Management Plan at the time of grant award.</p> |
| <p>5. Where does the applicant list the funds by others such as “customer” or “project partner”?</p> | <p>This can be included under Item 8 in the Project Information Form (Appendix A).</p> |

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<p>6. For Appendix A, Item 1: If an applicant has an activity with both an agricultural and urban component, does DWR require the applicant to submit two proposals (i.e., one for each component)?</p>	<p>Yes. Applicants should submit two separate proposals keeping agricultural and urban projects separate.</p>
<p>7. In reference to Section A-15d, does the applicant need to submit plans and specifications and a certification statement with the completed proposal?</p>	<p>For all projects involving construction, including meter projects and landscape projects with a construction component (i.e., those projects subject to CEQA and/or NEPA), preliminary plans and specifications must be submitted along with a certification statement indicating that the project is feasible. These items must be prepared by a California registered civil engineer.</p> <p>If final plans and specifications are completed at the time of application, they should be submitted with the proposal.</p>
<p>8. In reference to Section A-15d, is environmental documentation required for rebate or incentive programs?</p>	<p>It is the responsibility of the applicant to determine if the activity is defined as a "project" under CEQA and if so, follow all necessary steps in CEQA guidelines. If an applicant and their legal council determine that the activity is not a "project" as defined by CEQA, then the applicant should state this. A "project" is defined by CEQA, CCR, Title 14, Division 6, Chapter 3, section 15378 as "...the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonable foreseeable indirect physical change in the environment..."</p>
<p>9. Do Section B projects have a five year reporting requirement?</p>	<p>Monitoring will be dependent upon the nature of the project. A final summary of results that follows standard scientific processes is required.</p>
<p>10. In regard to Section A-9, does DWR require the submittal of confidential information such as billing account number, customer name, and customer address as part of water use data collection?</p>	<p>DWR does not require submission of confidential customer information other than that which would provide sufficient identifying data for verification and auditing purposes.</p>
MISCELLANEOUS	
<p>1. Can one organization submit more than one proposal?</p>	<p>Yes</p>

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2. Are there priority projects under the agricultural program (examples: canal lining, metering water delivery systems, piping a system)?	No priorities have been established for agricultural projects.
3. Are residential water savings such as metering and home water conservation measures eligible projects? Will small rural communities, many of which have high percentages of poor and minority populations be considered as competitive applicants for the program?	All types of eligible projects will be considered for funding if they meet the criteria requirements and rank ≥ 70 points. Disadvantaged communities are not required to provide a cost share.
4. How do applicants determine if they serve a disadvantaged community?	Disadvantaged communities are those with an annual median household income that is less than 80% of the statewide annual median household income. Eighty percent of the statewide annual median household income for 2002 is \$38,000. The applicant representing a disadvantaged community shall provide the source of information documenting annual median household income.

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SECTION II: FUNDING, BENEFITS, COSTS	
FUNDS AVAILABLE	
1. What is the amount of funding available in the 2004 Water Use Efficiency PSP for agricultural and urban grants?	Approximately, \$34 million is available for funding in the first cycle.
2. What is the minimum/maximum amount of funding available for an urban grant? For an agricultural grant?	There is no minimum or maximum funding limit.
PROPOSAL FORMAT AND PROJECT REQUIREMENTS	
1. What do “local matching funds” include? Is it essential that matching funds include both federal grants and corporate sponsorship as an identified “local matching fund”?	Local matching funds may include, but are not limited to, in-kind services, local funding, and grants and corporate sponsorships. Local matching funds must be from non-state sources.
2. Under which circumstances does a local agency not need to produce matching funds for a proposed project?	Matching funds are not required for disadvantaged communities and Section B projects.
SCORING PROPOSALS AND SELECTION CRITERIA	
1. If funds remain after a funding cycle, do proposals with scores <70 get considered for funding?	No. Proposals with a score of <70 will not be considered for funding.
2. Can an applicant contact the DWR economists with questions about their analysis before they submit a proposal?	Yes. The economists can provide <u>general</u> information about the analysis. Applicants will also be able to ask questions about the Benefit and Cost requirement at the workshop scheduled upon release of the Final PSP.
BENEFITS AND COSTS	
1. What will be considered under the “Costs and Benefits” selection criteria when ranking a project or program?	Projects considered are those that provide direct or indirect benefits to the Bay-Delta including water quantity, water quality, in-stream flow and timing and other environmental benefits. For Section A projects, applicants can achieve 35 points for costs and benefits.
2. Is the applicant required to have a cost share for the project?	Yes. See A-7 in the PSP for more information.

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3. If a proposed project also has a water quality benefit (which is a Quantifiable Objective), how does the applicant quantify this benefit?	Water quality benefits can be qualitatively described or quantitatively reported in Table C-5. See A-15i and Appendix C in the PSP.
4. The costs of a project will occur over the life of the project. How should we annualize the project costs?	The tables are designed such that costs over the life of the project are built into the calculations up front. The applicant should annualize costs by using Table C-4, which is based on a 6% discount rate.
5. Will diversity and environmental justice issues be assessed in the scoring process?	Yes.